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CHINA:

Trying To Calm Troubled Waters In Hong Kong

China has launched a public relations campaign in Hong Kong, but contentious negotiations over the Basic Law are likely to reinforce local doubts that Beijing will let the territory keep its present political and economic system after 1997.

In his first meeting with Hong Kong leaders, new Chinese Communist Party General Secretary Jiang Zemin told members of the Basic Law Consultative Committee yesterday that Beijing is committed to maintaining the territory's capitalist system. Xu Jiatun, Beijing's unofficial representative in the colony, said China would not "punish" Hong Kong residents or local Chinese officials who participated in the prodemocracy demonstrations in Hong Kong. Beijing also announced that it will agree to extending the time allotted Hong Kong residents to voice their opinion on the territory's future government.

Local businessmen and politicians, however, continue to voice pessimism over Hong Kong's future. A Hong Kong bankers' association has asked London to negotiate an extension of the original lease of Hong Kong and the New Territories to the UK, which they believe will restore local business confidence. Local supporters of the democracy movement are ignoring China's demands they stop interfering in the mainland's domestic affairs by continuing to channel funds to prodemocracy organizations inside China.

Jiang's and Xu's comments are little more than boilerplate and probably do not signal any willingness to strengthen guarantees of Hong Kong's autonomy after 1997. Negotiations over the Basic Law are likely to become even more difficult and contentious. Continued and occasionally defiant local support for prodemocracy groups in China could prompt Beijing to toughen its position, reaffirming popular fears in Hong Kong about the reliability of China's promises.

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